

STARK, WAYS AND MEANS DISCUSS HEALTH INSURANCE MARKET REFORM

Wednesday, 22 April 2009

"We can't fix this market without having a public health insurance plan that will compete with the private insurers to stabilize the marketplace and give consumers an option that isn't wholly profit-driven."

NEWS & CONGRESSMAN PETE STARK

239 Cannon House Office Building

Washington, DC 20515

(202) 225-5065

<http://stark.house.gov>

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CONTACT: Brian Cook

(202) 225-3202

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WASHINGTON & House Ways and Means Health Subcommittee Chair Pete Stark (D-CA) today helped lead a hearing on reforming the health insurance market. Members of the committee discussed the difficulties obtaining quality, affordable coverage in today's market, and key reforms to help consumers get better coverage.

Rep. Stark: "The health insurance market is broken. Consumers trying to navigate the marketplace find insurers who are unwilling to provide coverage, unclear about the cost of insurance, and sneaky about what care is covered. We can't fix this market without having a public health insurance plan that will compete with the private insurers to stabilize the marketplace and give consumers an option that isn't wholly profit-driven."

The panel consisted of:

- Uwe E. Reinhardt, Ph.D., Professor of Political Economy and Professor of Economics and Public Affairs, Princeton University
- Bill Vaughan, Senior Policy Analyst, Consumers Union
- William D. Hobson, Jr., MS, President and CEO, Watts Healthcare Corporation
- David Borris, Owner, Hel's Kitchen Catering, Northbrook, Illinois

- Kenneth L. Sperling, Global Health Management Leader, Hewitt Associates, on behalf of National Coalition on Benefits
- Linda Blumberg, Ph.D., Principal Research Associate, The Urban Institute

For more information on this hearing, please visit:

<http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=672>

Bill Vaughan from Consumers Union talked about the frustration of people with health problems when they try to get insurance in the individual market:

"You can try to regulate that, you can try to get the for-profit insurers to try to cover you. It's like leading a horse to water, they won't always drink. It'll always be a hassle. From a consumer point of view, you lose frequently, it's like a constant game of whack-a-mole. That's why Consumers Union would like to see a public plan option out there. Somebody whose fiduciary duty is to you in Congress and to the American public."

View Bill Vaughan's opening testimony below:

David Borris, owner of Hel's Kitchen Catering, spoke about the difficulty that small businesses have in purchasing health coverage for employees:

"As a small business owner, I'm willing to contribute to get good health coverage for my employees. But leaving cost containment and reform in the hands of the private health insurance industry – we've tried that, and it's failed. We need a public plan that will re-energize true competition in the marketplace, set the bar for comprehensive benefits and cost-controls, and provide a quality alternative if the private market doesn't meet our needs."

To view David Borris's opening testimony below:

Dr. Blumberg pointed to the importance of a national insurance exchange and a public health insurance plan in improving the insurance markets:

"A health insurance exchange can be developed to organize the insurance market and to provide guidance and oversight in achieving reform goals. Making a public health insurance option available to purchasers can further promote competition in insurance markets and could be an effective strategy for slowing health care cost growth."

View Dr. Blumberg's opening testimony below:

Dr. Reinhardt debunked the myth that a public health insurance plan would drive private plans out of the market:

"I cannot believe that if a public plan really didn't play well by the American people that you wouldn't have immediately a private insurance industry growing out of the ground offering them a better deal. Isn't that how markets work? Somehow there seems to be a lack of faith in the market."

View Dr. Reinhart and Bill Vaughan discussing the public health insurance plan below:

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